



COVID-19 CHILD CARE PAYMENT POLICIES

Issued April 3, 2020; Updated August 21, 2020

These policies apply to licensed or regulated child care facilities for the months of April, May, June, July, August, and September 2020 (subject to the availability of funding) related to:

- 1) Subsidized Child Care program payments,
- 2) Operational Grants to open providers,
- 3) NC Pre-K Program payments
- 4) Emergency Child Care Subsidy program payments, and
- 5) Bonus payments to child care teachers and staff providing services during the COVID-19 outbreak.

The chart below outlines the payment schedule for Subsidized Child Care Payments, Emergency Child Care Subsidy Payments, and Bonus Payments to child care teachers and staff providing services during COVID-19. Additional details about each payment type are provided later in the document.

Overview of COVID-19 Child Care Payment Schedule

Service Month	PAYMENT DATE		
	Subsidized Child Care Program Payments	Emergency Child Care Subsidy Program Payments	Bonus Payments
March 2020	4/9/2020	N/A	N/A
April 2020	4/30/2020	5/15/2020	5/15/2020
May 2020	5/29/2020	6/12/2020	6/12/2020
June 2020	7/7/20	N/A	N/A
July 2020	8/11/20	N/A	N/A

PLEASE NOTE: DCDEE will issue payments on the dates listed above. However, depending on your financial institution, it may take up to five business days to process and for you to receive the payment.

1. SUBSIDIZED CHILD CARE PROGRAM PAYMENTS

Payments:

- March through May 2020: DCDEE will make Subsidized Child Care Program payments to ALL subsidized child care providers for March, April, and May service months, regardless of whether the facility is open or closed. The payment for March will be based on providers entering attendance for all subsidy children as present for all service days during the month of March. The payment amount for April and May will be consistent with the March payments for February services for all providers (as recorded in NC FAST). DCDEE is paying the parent fees for April and May service months and these totals will be added into the April and May payments.

- June, July, and August 2020: DCDEE will also make Subsidized Child Care Program payments only to providers that are open in June.
- Beginning with the service month of September 2020, child care facilities are asked to enter true attendance into the NC FAST Provider Portal and payment for services will be calculated based on this attendance only. There will no longer be a differential amount calculated. Child care facilities who remain closed will not receive payment for any subsidized children.

Copayments: DCDEE covered the cost of all parent copayments for the child care subsidy program for April and May 2020. For June, July, and August 2020, DCDEE covered the cost of parent copayments for the child care subsidy program for providers that were open. Child care programs were instructed not to collect parent copayments for the listed months.

Beginning with the service month of September 2020, each family receiving subsidized child care with a parent fee assigned will be responsible for paying this parent fee directly to their chosen child care facility. DCDEE will no longer cover the cost of these parent fees.

Payment Schedule: Subsidized child care program payments and parent copayments were paid on a modified schedule during the months of March, April, May, June, and July 2020 to support child care programs during this crisis. See Overview of COVID-19 Child Care Payment Schedule chart above.

Beginning with the service month of September, subsidized child care program payments have resumed the normal payment schedule.

Recording Attendance: Child care subsidy providers who remain open and have children with a subsidized child care voucher attending their facility should record ACTUAL attendance for these children in August. Child care subsidy providers who remain open and have children with a subsidized child care voucher who are not attending their facility should record Not Scheduled for these children in August. Child care subsidy providers who are closed should not record any attendance in the NC FAST Provider Portal for August.

In the event that a provider's August subsidy payments would be higher than February, DCDEE will pay the additional payment owed in the next mid-month payment. For the August 2020 calculation, school age children will be calculated at the full-time rate rather than the blended rate. However, if the February service month payment is still higher, no additional payment will be issued.

Beginning with the service month of September 2020, child care facilities are asked to enter true attendance into the NC FAST Provider Portal and payment for services will be calculated based on this attendance only. There will no longer be a differential amount calculated. Child care facilities who remain closed will not receive payment for any subsidized children.

DCDEE is also working to address several concerns related to COVID-19 including payment when a facility is closed due to quarantine, when a subsidized child is not able to attend a facility due to being quarantined, and school age children attending facilities full time now that school has started for the year. Specific guidance will be issued to all subsidized facilities about recording attendance in the NC FAST Provider Portal for the month of September and future months that will address these concerns.

2. OPERATIONAL GRANTS

DCDEE will provide operational grants to licensed child care facilities that are open for all or part of April, May, and June. DCDEE will provide an operational grant to any licensed, **private** child care facility that was open for all or part of July. The operational grants are designed help providers cover monthly fixed operating costs during these months of the COVID-19 crisis, recognizing that revenues from parent tuition fees are significantly lower, as non-essential workers and those who are able, may have kept their children home with them.

Eligibility: Private child care programs who are licensed and were open prior to July or reopen in July will receive an operational grant. DCDEE has determined programs are open if they:

- Completed an Emergency Child Care Provider application to remain open or a Reopening Application.
- Completed a [daily provider survey](#) to report whether they were open or closed. Child care programs will receive operational grants for April if they were approved as an emergency child care provider and indicated they were open on the daily provider survey.

Providers will not need to apply for the grant. Providers can call 919-703-5262 or send an email to dcdee.communications@dhhs.nc.gov to find out how much they will receive.

Amounts: Child care centers will receive between \$500 and \$30,000 per month that they are open. Family child care homes will receive between \$359 and \$2,500 per month that they are open. The amount of your grants will vary based on the following factors:

- Total number of children served prior to COVID-19 – programs serving more children will receive larger grants.
- Star rating – programs with a higher star rating will receive larger grants because of the higher cost to meet higher standards.
- Infant toddler enrollment – programs serving infants and toddlers will receive larger grants to account for higher staffing and fixed costs associated with caring for infants and toddlers.
- Serving subsidy children – programs that have served subsidy children in the past 12 months will receive larger grants than programs that do not serve families and children receiving child care subsidy. Public Child Care Development Funds are intended to increase access to quality care for families and children with low incomes. However, because of the unique challenges programs are facing as a result of the COVID-19 crisis, all programs will receive some level of grant support.
- Subsidy density (the percentage of children enrolled who receive child care subsidy) – Because DCDEE is continuing to stabilize child care subsidy monthly payments to child care providers based on February enrollment, programs that have higher percentages of children on subsidy are getting more of their typical monthly revenue covered than programs that have lower percentages of children on subsidy and rely more heavily on private fees from parents. Therefore, programs with lower percentages of children on subsidy will receive larger grants.

Payment Schedule:

Programs that were open prior to July 1, 2020, or reopen in July will receive operational grants in mid-August. Those programs will receive either a full payment for one month if they reopened prior to July 1st or a prorated payment if they reopen later in July.

3. NC PRE-K PAYMENTS

For the 2020-2021 school year, DCDEE will provide payments to NC Pre-K Contracting Agencies based on their *contracted number of slots* for the 2020-2021 school year. DCDEE will provide payment for all contracted slots to provide stabilization to NC Pre-K programs during the COVID-19 pandemic when overall child care enrollment has been low, as families have opted to keep children at home.

Payment during the 2020-2021 school year will not be based on attendance. Payments will be generated based on the assigned teacher rate and the number of slots allocated to each classroom. Therefore, Contracting Agencies must allocate the maximum number of contracted slots to their NC Pre-K sites, as all slots will be funded regardless of attendance.

Please read [Interim COVID-19 Reopening Policies for NC Pre-K Programs](#) for more detailed information regarding the goals, health and safety guidance, remote learning requirements, and reporting requirements related to the NC Pre-K program.

4. EMERGENCY CHILD CARE SUBSIDY PROGRAM PAYMENTS

Purpose: The Emergency Child Care Subsidy program provides financial assistance for child care to parents/primary caregivers who are essential workers (as defined by [Executive Order 121](#)). The Emergency Child Care Subsidy program will operate beginning April 1, 2020, and will continue for the months of April and May 2020. The Emergency Child Care Subsidy program will end on May 31st. Providers may not enroll children after May 8th at 5:00PM but will receive emergency child care subsidy payments through the month of May for any children who were enrolled in the program as of May 8th at 5:00PM.

- *All licensed or regulated facilities, regardless of star rating and regardless of current participation in the Subsidized Child Care Program, are eligible to accept families for the Emergency Child Care Subsidy Program for essential workers.*

Family Eligibility: Parents or caregivers can receive financial assistance for emergency child care if they:

- are essential workers,
- have no other safe child care options,
- and have a household income below 300 percent of the poverty line (please see chart below).

Persons in Household	2	3	4	5	6	7	8
Income Limit	\$51,720	\$65,160	\$78,600	\$92,040	\$105,480	\$118,920	\$132,360

**For household size greater than 8 people, add \$4,480 for each additional person starting with the 9th person.*

Application Process: Families must complete a [COVID-19 Parent Application for Financial Assistance for Emergency Child Care](#) (also available in [Spanish](#)) and submit the application to their child care provider.

- Child care providers are NOT expected to determine or verify whether a family is eligible for financial assistance. It is the responsibility of the parent/primary caregiver to self-attest to meeting the eligibility criteria.
- Child care providers should, however, review the Parent Application form to ensure it is complete and store the Parent Application (guidance about this process is [here](#)).

Emergency Child Care Subsidy Rates: Child care providers will receive the following rates for new children served through the Emergency Child Care Subsidy program in April and May:

Age Group	Child Care Centers	Family Child Care Homes
Infant	\$ 1,200	\$ 905
2 Years Old	\$ 1,125	\$ 830
3-5 Years Old	\$ 1,070	\$ 780
School Age (6+)	\$ 870	\$ 645

**Rates were established using the state average for 75th percentile of the 2018 market rates for each group and adding an additional \$200 per child per age group.*

Payments: Payments for children who are served under the Emergency Child Care Subsidy Program in April and May will be made in addition to the Subsidized Child Care Program payments detailed in Section 2.

- Payments for Emergency Child Care Subsidy will be based on attendance of children in April or May. These emergency subsidy payments will be paid outside of the NC FAST system.
- Providers will be paid the full reimbursement rate for the month for each child enrolled in the Emergency Child Care Subsidy Program unless the child is absent from the facility more than ten service days in a month.
 - If a child's absences exceed ten days during a service month, the provider will be paid for the actual days that care was provided. Calculation of the payment will be determined using the daily rate. To calculate the daily rate, divide the reimbursement rate by 21.67 then multiply that by the number of days the child attended.
- You will be able to log into the Provider Portal for Emergency Child Care Subsidy to confirm the accuracy of payments and reconcile your bank statements.

Copayments: The Emergency Child Care Subsidy Program does not have parent copayments.

Payment Schedule: Payments for Emergency Child Care Subsidy Program for April and May services will be paid on May 15th and June 12th, respectively.

Recording Attendance:

- Providers should submit child attendance by the 5th day of the following month. Inaccurate, untimely, or incomplete reporting may result in delayed emergency child care subsidy payments.

- Providers will need to track attendance for children receiving Emergency Child Care Subsidy and submit through the [Provider Portal](#) for Emergency Child Care Subsidy.
 - Providers may begin entering child attendance starting Thursday, April 30th, 2020 and must finish entering all attendance by 9:00PM on Tuesday, May 5th, 2020.
 - DCDEE has published a [job aid](#) with detailed instructions on how to enter children for whom they have received completed Parent Applications for Financial Assistance for Emergency Child Care, as well as how to record and submit attendance for children.
 - Providers should only use this portal to record children who are enrolled in the Emergency Child Care Subsidy Program and for employees receiving bonuses. Providers should record attendance for children enrolled in regular subsidy as they normally do.
- DCDEE has provided a [weekly child attendance log](#) to assist providers in manually tracking attendance of children receiving Emergency Child Care Subsidy prior to the portal being available for tracking attendance.

Uploading Parent Applications:

- Providers can also begin uploading completed COVID-19 Parent Applications for Emergency Child Care on Thursday, April 30, 2020. Please ensure that all Parent Applications are submitted either through the [Emergency Child Care Subsidy Provider Portal](#) or by mail to DCDEE by no later than May 25, 2020.
- Instructions for how to upload parent applications are included within the Provider Portal. Providers should begin uploading the parent applications as soon as possible.
- If providers are unable to upload the applications, they should mail the forms to DCDEE, Subsidy Services Section, 2201 Mail Service Center, Raleigh, North Carolina 27699-2200.
- All applications must be uploaded or mailed to DCDEE no later than May 25, 2020, in order to receive payment for May services.

5. BONUS PAYMENTS TO CHILD CARE STAFF PROVIDING SERVICES DURING COVID-19

Purpose: All child care employees working on-site at a child care facility that is approved to provide emergency child care in April and May 2020 will receive a bonus for their service during the COVID-19 crisis. Bonus payments will only be provided in April and May but will not continue for June.

Eligibility: Bonus payments are available for both child care centers and family child care homes and to both teaching and non-teaching staff, full and part-time, working on-site at the child care facility.

- Teaching staff includes lead, assistant, and other resource teachers working directly with children in the classroom.
- Non-teaching staff includes administrators, directors, cooks, and janitorial staff.
- An employee is considered part-time for the purpose of these bonuses if they are working on-site at a facility 20 hours a week or less.

Process:

- DCDEE will pay bonus payments directly to child care programs.

- All child care programs approved to operate under the [Emergency Child Care guidelines](#) have attested that they will provide teachers and staff with bonus pay, at no less than the amounts funded by DCDEE effective April 1, 2020.
- Providers must pay staff prorated amounts of the monthly bonus payment at regular employee pay periods. Providers have the flexibility to make payments to their employees after receiving the bonus payment amounts from DCDEE. For example, DCDEE will issue bonus payments on May 15th for employees who worked in April, and providers can issue bonus payments to their employees after May 15th.
- Child care programs that reopen in the middle of May will also be eligible for bonus payments for employees. These programs will receive prorated bonus payments.
- Child care programs have the flexibility to offer additional bonuses to staff using their own funds.
- *NOTE: Some GS-110 religious sponsored programs operating under the Emergency Child Care guidelines have requested to be exempted from all COVID-19 related funding. If a GS-110 program has chosen to be exempted, staff will not receive these bonuses.*

Recording Attendance:

- Providers should submit employee attendance by the 5th day of the following month. Inaccurate, untimely, or incomplete reporting may result in delayed bonus payments.
- Bonus payments for April and May will be calculated based on employee staffing data reported by providers that month.
- Providers will need to track attendance for employees and submit through the [Provider Portal](#) for the Emergency Child Care Subsidy program.
 - Providers may begin entering employee attendance starting Thursday, April 30th, 2020 and must finish entering all attendance by 9:00PM on Tuesday, May 5th, 2020.
 - DCDEE has published a [job aid](#) with detailed instructions on how to record and submit attendance for employees.
- DCDEE has provided a [weekly employee attendance log](#) to assist providers in manually tracking attendance of employees prior to the portal being available for tracking attendance.

Rates: Bonus payment amounts have been updated (as of 4/27/2020) and are as follows:

	Full-Time Employees	Part-Time Employees
Teaching Staff	\$950 per teacher per month	\$475 per teacher per month
Non-Teaching Staff	\$525 per staff per month	\$262.50 per staff per month

- Staff are eligible for the full bonus payment amount shown in the chart above if they are not absent from work for more than 10 days during the month. If an employee is absent from work for more than 10 days during the month, the bonus payment will be prorated using a daily rate. (To calculate the daily rate, divide the bonus amount by 21.67 then multiple that by the number of days the employee worked.)
- Bonus payments are subject to payroll taxes, which would be partially paid by the employee through payroll reductions and partially paid by the provider. Providers will receive an additional 10% for bonus payments to cover costs associated with payroll taxes and other administrative/overhead costs.

- You will be able to log into the Provider Portal for Emergency Child Care Subsidy to confirm the accuracy of payments and reconcile your bank statements.

Payment Schedule: Bonus payments will be paid mid-month (on May 15th and June 12th) at the same time Emergency Child Care Subsidy payments are paid.

ADDITIONAL RESOURCES

- If you have general questions, contact DCDEE at 1-800-859-0829.
- If you have questions about the [COVID-19 Child Care Reopening Application](#) or [COVID-19 Child Care Provider Survey](#), contact your child care consultant.
- If you have questions about the Subsidized Child Care Program or the Emergency Child Care Subsidy Program, contact your Subsidy TA Consultant.
- If you have health-related questions or concerns, contact your [child care health consultant](#).
- If you need additional help accessing food, cleaning supplies, or other essential resources needed to provide care during the COVID-19 crisis, contact your [local Smart Start partnership](#).